

**MINUTES OF THE  
ENERGY POLICY TASK FORCE**

Thursday, September 13, 2001 – 9:00 a.m. – Room 303 State Capitol

**Members Present:**

Sen. Leonard M. Blackham, Co-Chair  
Sen. Mike Dmitrich  
Sen. Dan R. Eastman  
Sen. David H. Steele  
Rep. Sheryl L. Allen  
Rep. Ralph Becker  
Rep. Judy Ann Buffmire

**Members Absent:**

Sen. Ed P. Mayne  
Rep. Thomas Hatch, Co-Chair  
Rep. Kevin S. Garn  
Rep. Jack A. Seitz  
Rep. David Ure

**Staff Present:**

Ms. Chyleen Arbon, Research Analyst  
Ms. Patricia Owen, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

**Note:** A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or contact the Office of Legislative Research and General Counsel.

**1. Task Force Business**

Chair Blackham called the meeting to order at 9:20 a.m.

**2. PacifiCorp's Proposal to Restructure – General Overview**

Ms. Patricia Owen, Associate General Counsel, Office of Legislative Research and General Counsel, provided an overview of the potential issues raised by PacifiCorp's restructuring proposal. She provided task force members with printed copies.

Mr. Doug Larson, Vice President for Regulations, PacifiCorp, explained the restructuring proposal and the transfer of assets from PacifiCorp to the state distribution companies, including how a regional transmission organization would interact with the reorganized companies. He discussed how customers' interests in existing PacifiCorp generation are protected under the proposal. Mr. Larson explained how state distribution companies would have the option to receive services from the Service Company, contract for the services from a third party, or provide the services directly.

Mr. George Galloway, Attorney, PacifiCorp, explained his position that although the restructuring would change the way regulatory decisions are made, it would not create a jurisdictional shift. He discussed concerns of creating new generation. Mr. Galloway emphasized that it is as important to focus on setting up a structure that will create good decisions and incentives to buy new generation as it is to focus on the existing generation.

Mr. Greg Monson, Attorney, Stoel Rives, discussed the effect of the proposed corporate restructuring on provisions of the Utah Code that refer to the "public utility," "electric corporation," or similar phrases. He discussed the importance of working with legislators during the regulatory approval process and making jurisdiction and regulation modifications to allow states more flexibility.

Mr. Lowell Alt, Director, Division of Public Utilities (DPU), provided a status report on PacifiCorp's restructuring proposal and distributed a copy of "Docket No. 00-035-15" to task force members.

Mr. Dee J. Hammon, Chair, Committee of Consumer Services (CCS), expressed concerns with the restructuring proposal.

Ms. Cheryl Murray, Staff Member, CCS, stated that the restructuring proposal needs to be scrutinized because of its long-term consequences. She provided a summary of the items of concern.

In response to task force questions, Ms. Connie White, Commissioner, Public Service Commission (PSC), stated that the current regulatory demands, including reviewing the PacifiCorp reorganization proposal, is placing significant demands on PSC's staff. Mr. Alt made similar comments regarding the staff of DPU. CCS also expressed concern about the adequacy of resources.

After further task force discussion, Sen. Blackham directed staff to draft a letter from the task force chairs to the chairs of the Commerce and Revenue Appropriations Subcommittee to recommend that it review the staffing needs of PSC, DPU, and CCS.

### **3. PacifiCorp's Proposal to Restructure – Open Access**

Mr. Scott Gutting, President, Energy Strategies, Utah Energy Association (UEA), indicated UEA's willingness to continue working with PacifiCorp to address the complex issues of jurisdiction and regulatory impacts. He stated that at this time UEA did not believe that legislation during the 2002 General Session would be necessary.

Mr. Gary Dodge, Attorney, UEA, discussed the lack of customer choice in PacifiCorp's restructuring proposal and discussed the need for customer protection, which includes the need for competitive market power and effective access to transmission.

Mr. Alt expressed willingness to cooperate in the process of developing any plan regarding customer choice.

Mr. Larson indicated that the proposed corporate reorganization would allow a state to implement customer choice easier than the current corporate structure.

### **4. Service Territories**

This item was moved to the next agenda.

### **5. Other Items/Adjourn**

Chair Blackham adjourned the meeting at 11:44 a.m.